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Report of the Paris Group on Labour and Compensation

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fourth session,** the Secretary-General has the honour to transmit the report of the Paris Group on Labour and Compensation (secretariat, United Kingdom). Points for discussion by the Commission are contained in section IV.

* E/CN.3/2004/1.

** See *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24), chap. I.A.

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Report of the Paris Group on Labour and Compensation

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1. The present report summarizes the activities of the Paris Group on Labour and Compensation during 2003 on the measurement of "working time". A two-day meeting — the fifth session of the Paris Group — was held in London on 4 and 5 September 2003 to explore current issues and need for further work on working time measurement.[1] A report from the meeting summarizing its discussions and recommendations was submitted to the seventeenth International Conference of Labour Statisticians (ICLS) in November/December 2003. Further work on this topic by the Paris Group is planned to assist the International Labour Organization (ILO) in the development of a resolution on working time for the next ICLS meeting in 2008.

I. Fifth session

2. The Paris Group met in London in September 2003 to discuss the measurement of working time. The discussions were organized around three areas:

- Working time arrangements
- Measurement of hours worked
- Use of hours worked statistics in "derived products", such as productivity.

3. The issues covered for each of these areas included user needs, measurement issues, required cross-classifications of data, reconciliation and confrontation of related statistics, and proposals and recommendations for improvement. The final session focused on topics for future work.

II. Summary of discussion

4. The Paris Group highlighted the widespread use of statistics on working time to understand the nature, quality and volume of employment. Recent changes in both the supply of and demand for labour have led to an increase in non-standard working arrangements and a more complex work environment. As a result, further work is needed to enhance existing international standards and develop new standards and definitions in emerging areas, which must be based on a sound conceptual basis. There is also a need to identify best practice in methodology to collect and analyse data.

Working time arrangements

5. Rather than propose an exhaustive typology to cover the myriad of working time arrangements in operation, the Paris Group believes that the following dimensions would be sufficient to describe and measure working time:

- Number of hours actually worked in a week, month, year
- Stability/flexibility of these hours worked from week to week
- Schedule of hours worked across the day, week and year
- Location where work is undertaken.

Working time measurement

6. The main issues for the evolution of standards on number of hours worked are:

- Deciding which activities should be included or excluded from the measures (e.g., travel, training, unpaid hours)
- Determining the basis of working time measurement appropriate for different uses of data (e.g., hours actually worked, contracted hours, paid hours)
- Deciding whether the concept is job-related or individual-related.

Annual hours of work

7. The Paris Group recognizes the need for accurate measures of annual hours of work (e.g., for the measurement of productivity). Those measures should show both levels and trends.

Measurement issues

8. The Paris Group draws a clear distinction between developing international standards for a target measure, e.g., hours actually worked, and the practical problems of measurement. For measures such as hours worked there is a preference for direct rather than adjusted measures. Dealing with the measurement issues will involve outlining the strengths and weaknesses of different measurement sources of data and identifying best practice to maximize the quality of the data collected for an intended use.

Future areas of work for the Paris Group

9. There is a broad consensus on the need to undertake more focused work on working time statistics in conjunction with the ILO, following the seventeenth ICLS. Other topics suggested by a number of countries include:

- Experience in dealing with data from different sources
- Problems related to the ageing workforce.

III. Recommendations to the seventeenth ICLS and Conference outcome

10. Following its September 2003 meeting, the Paris Group submitted the recommendations for change described below to the seventeenth ICLS in November/December 2003.

Hours worked

11. Standards (definitions, recommended methods of data collection and analysis, presentation of appropriate metadata) should be developed in relation to hours worked in a short reference period (day, week, month), including actual hours, usual hours and overtime. The concepts of paid hours, hours worked and contracted hours would need to be explained in the context of their use to derive measures of actual and usual hours.

12. Standards should be developed for estimating total hours worked for a long reference period — particularly annual hours worked — for different purposes (such as for productivity calculations or labour cost indices).

Measurement of other working-time concepts

13. The possibility should be explored of creating a conceptual framework to encompass working time arrangements within the context of working time statistics generally. Such a set of organizing principles would aim to:

- Provide a structure to consider different types or examples of working time arrangements, especially new forms as they emerge
- Inform the planning of work on collecting data about hours worked
- Improve international comparability and coherence between data sources
- Help the prioritization of ongoing conceptual and statistical work.

14. Any such framework would have the following elements:

- Identification of components of working time arrangements, distinguishing between (a) duration, stability/flexibility, scheduling, location; (b) clarifying the interrelationships between different types of working time arrangements, e.g., shift work at weekends; (c) addressing demand/supply side issues; (d) legal elements; (e) policy elements
- Identification of the key stakeholders (producers and users), and their interests
- Exploration of the links between working time arrangements and other related frameworks (e.g. System of National Accounts, 1993 and statistical domains, including the economic domain (labour inputs) and social life (well-being, work life balance))
- Identification of the main data sources of the different elements of working time arrangements, and of best practice in collecting and analysing such data.

15. A review should be conducted of the usefulness of the concepts of full- and part-time for describing labour market activity, including exploring whether it might not be more valuable to present data on employment by usual hours worked.

Outcome of the seventeenth ICLS conference

16. ICLS has agreed to advance the issue of working time statistics for the eighteenth conference to be held in 2008. A new resolution will be developed for consideration by the conference, following an ILO expert meeting. The Paris Group will continue its involvement in the evolution of international standards in this area, and the outcomes of a meeting tentatively scheduled for 2004 on working time measurement will be specifically tailored to provide the required input to the ILO expert meeting. The Paris Group will also take specific steps to ensure developing country representation at the 2004 meeting.

IV. Points for discussion

17. **Comments and guidance from the Commission are sought in relation to:**

- **The coverage of future development of working time statistics**
- **Identification of issues not covered above or in the full report**[1]
- **Future areas of work for the Paris Group.**

Notes

[1] The full report of the fifth session will be made available to the Commission as a background document.

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Item 3 (g) of the provisional agenda*
Demographic and social statistics: poverty statistics

Poverty statistics

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its thirty-fourth session.[a] It reviews the project initiated by the United Nations Statistics Division in April 2003 for the preparation of a handbook on poverty statistics, presents the project's objective and expected outputs, and describes the consultative process put into place to implement the project. The report also reviews project activities to date, including the establishment of the Steering Committee on Poverty Statistics, an annotated outline of the handbook and the project web site. Points for discussion by the Commission are contained in paragraph 1.

[a] *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24), chap. I.A.

* E/CN.3/2004/1.

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1. **The Commission may wish to express its views on the progress made on the provisional annotated outline of the handbook and the proposed future activities, as described below.**

Objective

2. The overall objective of the project is to assist policy makers and statisticians in member countries to face the growing demand for poverty statistics and related information by developing a system of poverty measurement that is responsive to national and international data needs. In particular, the project will help share experience on the collection and analysis of poverty statistics across different regions, help countries to gain an overview of the extensive literature on poverty and to better understand the options available at the country level. Furthermore, it will provide some practical guidance for the compilation and reporting of poverty data.

Duration

3. It is anticipated that the project will be carried out between 2003 and 2005.

Project output

4. The project will prepare a handbook entitled *Poverty Statistics: Concepts, Methods and Policy Use*. The purpose of the publication will be to assist countries in designing and implementing systems of poverty measurement that satisfy both their national policy needs and the increasing international demand for poverty statistics and related data.

Intermediary outputs

Steering Committee on Poverty Statistics

5. The Steering Committee on Poverty Statistics, comprising 10 eminent experts, has been established to guide the process of the preparation of the publication. The task of the Steering Committee is to advise the United Nations Statistics Division on all issues pertaining to structure and content of the publication. In addition, the Steering Committee will make recommendations for authors and reviewers of the various chapters of the publication. The interactions of the Steering Committee will be held electronically, with possibly one or two physical meetings to be held during the lifetime of the project (2003-2005).

6. One of the main concerns in selecting the members of the Steering Committee was to focus the publication on issues that are relevant and useful for developing countries. At the same time, the publication should have a strong methodological component that will serve as a foundation for empirical work to be conducted at the country level. Therefore, the Steering Committee includes experts from the academic arena as well as from national institutions. Moreover, close collaboration with the Rio Group on Poverty Statistics has been sought in order to build on the practical experience available in the Rio Group and to incorporate regional perspectives to the extent possible (see also E/CN.3/2004/9).

Annotated outline

7. In April 2003, the United Nations Statistics Division prepared a provisional annotated outline that was used as the basis to initiate the discussion among the experts on the content and structure of the publication. The outline has now been finalized based on expert comments and it will be used in the subsequent phases of the project. The outline was recently presented at a meeting of the Rio Group on Poverty Statistics held in Rio from 12 to 14 November 2003. The annotated outline is contained in the annex to the present report.

Project web site

8. The United Nations Statistics Division has established a web site (http://unstats.un.org/unsd/methods/poverty/) to disseminate work in progress on the project and on the draft publication. The site also reports on the organization and implementation of project activities, including four regional workshops and one expert group meeting planned during the lifetime of the project.

Regional workshops

9. Regional workshops involving regional and national stakeholders and other international agencies — two in Africa, one in Latin America and the Caribbean and one in Asia and the Pacific — will provide comments on papers drafted to date and contribute material for the country practices.

Expert group meeting

10. An expert group meeting, consisting of the Steering Committee, authors, reviewers and regional and national experts (senior statisticians), will conduct a comprehensive review of the first draft of the publication.

Annex

Annotated outline of *Poverty Statistics: Concepts, Methods and Policy Use*

Chapter 1
Preface and introduction (10 pages)

To set the scope of the publication, what it includes and what it does not include.

To explain what types of poverty statistics are needed for what purpose (i.e. why/when different poverty measures are important and relevant for specific policy purposes).

To make clear the distinction between national and global poverty estimates and to address the role of inter-country comparisons and regional and global totals in description, causal inference and policy-making at both the national and global levels.

To specify the target users of the publication (e.g., statisticians and data producers, policy makers at the national and international levels).

Chapter 2
Concepts and fundamentals of poverty measurements (30 pages)

To highlight the conceptual debates surrounding: concepts of poverty — dimensions of well-being — absolute vs. relative poverty; approaches to measurement — based on monetary indicators vs. social and other non-monetary indicators (also referred to as: access to basic needs, services and basic capital formation); objective and subjective experience of poverty — methods for integrating and reconciling subjective and objective indicators; poverty lines, such as food poverty lines, national, regional, international poverty lines; poverty indices and units — head counts, poverty gap; poverty comparisons — based on stochastic dominance; the case for a "system" of poverty monitoring, comprising point estimates and distributional measures, snapshots and time series estimates, within and across country comparisons.

To provide references for an in-depth study of these topics.

Chapter 3
Past and present practices of poverty measurements (30 pages)

To review past and present practices of poverty measurement, highlighting the progressive broadening of the definition and measurement of poverty — from command over income to other dimensions of well-being (e.g., longevity, education, health) and more recently, to risk, vulnerability, powerlessness and lack of voice; to pay attention to the rapid changing international and global context and its effect on poverty measurement (10 pages).

Based in part on the experiences accumulated by the Rio Group on Poverty Statistics and four regional workshops organized in connection with the project: to discuss the data availability and quality of existing poverty statistics (e.g., at national, subnational and global levels, disaggregated by gender); to review country practices, including methodologies/concepts, data-collection tools, the regularity and disaggregation of estimates; to understand the difficulties/barriers (institutional/

technical/financial) countries face and what is needed to respond to the growing demand for adequate and timely data to guide the design of policies aimed at reducing poverty and for monitoring purposes. Attention will be given to the interplay between national and international stakeholders in providing poverty data for the *Human Development Report*, poverty reduction strategy papers, common country assessments and the Millennium Development Goals (20 pages).

Chapter 4

Statistical tools and estimation methods for poverty measures based on household surveys (40 pages)

To discuss the surveys — income and expenditure surveys, Living Standards Measurement Studies, time-use surveys, Demographic and Health Surveys, labour surveys, appraisal surveys — as sources of data for poverty assessments, based on monetary as well as non-monetary approaches.

To highlight the practical difficulties involved in generating reliable and comparable estimates — definition of terms, sampling, periodicity, frequency, regional differences and other sources of non-random error, costliness and other constraints; to offer options to address specific survey design issues that could potentially affect the interpretation of — or bias — poverty estimates and changes in the estimates — income or consumption; the use of a reference person rather than a "household head" as unit of measurement; imputations and value of non-market services.

To pay due consideration to survey techniques relevant for assessing the well-being of specific target groups (the poorest, earnings from informal enterprise, itinerant and refugee populations, social minorities) and for collecting information of non-economic components of well-being to consider characteristics with different units of analysis — individual, household, community, regional and national.

To address specific statistical and data issues in longitudinal analyses (attrition of the sample over time; high mobility among specific groups) and to describe how measurement errors can particularly bias analyses of transience and vulnerability, and to provide guidance for the analysis and interpretation of the data.

To address the need for developing gender-specific data-collection instruments to enable poverty analysis from a gender perspective.

Chapter 5

Statistical issues in measuring poverty from non-survey sources (40 pages)

To review other sources of data for poverty assessments: national accounts, population censuses, public-sector financial data, administrative records from line ministries and qualitative data from participatory techniques.

To address the current debate on the use and misuse of national accounts for poverty measures and to discuss alternatives for reconciling survey and national accounts estimates of household consumption through a harmonized approach to household surveys and national accounts.

Chapter 6
Poverty analysis for national policy use: poverty profiles, mapping and dynamics (30 pages)

(Analytical techniques presented throughout this chapter will be illustrated by data examples from country cases so as to provide clear and practical guidance to the reader.)

To answer questions (such as what are the characteristics of poor households? who are poor and how to target them? how long does it take them to exit poverty is poverty transient or persistent?) to provide guidance for the analysis of the pattern and change in poverty (address issues related to per capita measures, such as adult equivalence and scale economies); to stress the importance of price indices (regional prices and "poverty-focused" consumer price indices, in particular to obtain relevant and operationally significant measures of changes in the "cost of living" to parallel assessments of poverty levels); to pay more attention to the wider longitudinal/panel aspect of poverty profiling (lifetime income streams, position of children, the sick and the aged, adequacy of savings, gender).

To address the need for gender perspective in poverty analysis.

To discuss the use of combined data sources for poverty assessments, merging household surveys and population censuses to construct poverty maps.

Chapter 7
Global poverty comparisons (20 pages)

To describe existing approaches to measuring global poverty and to poverty comparison across countries, method based on the 1 dollar per day per person; to consider various sources of variability in the computation of the international poverty estimates (PPP conversion).

To explore other alternatives to the existing approach to international comparisons of poverty (based on the $1 per day), such as: are some approaches more adequate for international comparisons than others? Are international comparisons meaningful when the statistical gap between countries in the area of poverty statistics is enormous? Would it be meaningful or useful to limit poverty comparisons to countries at a similar level of development? Is the development of common statistical protocols a fruitful strategy with which to enhance the quality and comparability of both national and internationally comparable poverty estimates?

Chapter 8
Conclusions and recommendations (10 pages)

To recommend an international action plan to assist countries and international organizations in responding to the growing demand on poverty statistics.

To recommend the use of a harmonized approach for collecting poverty data to enable poverty comparisons through time and space.

To suggest a broad agreement on data access for outside researchers (data repository).